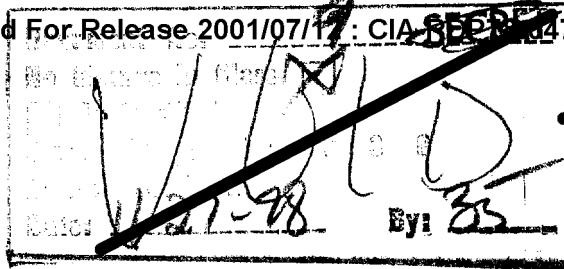


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6 July 1954

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 NEXT REVIEW DATE: 1-27-78
 AUTHORITY: HR 70-2
 DATE: 1-27-78 REVIEWER: 372044

MEMORANDUM FOR: [REDACTED]

SUBJECT : Comments on USIA Intelligence Survey

1. The "Note" at the top of the first page, Tab A, is extremely important. The publications recommended for distribution to USIA are, in many cases, very sensitive and the distribution within USIA seems to be reasonably wide. While I am not familiar with USIA's security standards and practices, it is reasonable to assume that in the conduct of their particular business they must employ many people who would not meet security standards of the agencies from which these publications originate.

2. The USIA Intelligence Unit, itself, should be kept as small as possible. It would seem to me that recommendations A., B., and C. of Tab B should be emphasized with a minimum of effort spent in carrying out those functions provided for in D. and E. Every effort should be made to insure that this Unit is served by other agencies and activities and they should not build up a big staff of their own. Based upon the functions indicated the staff of ninety would seem to be adequate.

3. Presumably, a part of the Department of State intelligence organization which has been supporting USIA will go to USIA to form a part of the recommended intelligence organization, and, presumably, the burden on State, exclusive of the recommended expansion of NIS will be correspondingly reduced.

4. Frankly, I was rather surprised at the apparent, extreme usefulness of the NIS Program to USIA and I had also assumed that the type of information needed in the field of international communism normally would not be found in an NIS. I had thought that the material needed would be of a much more current nature than one would expect to find in the NIS. I have discussed this matter briefly with [REDACTED] 25X1A [REDACTED] of the NIS Staff who indicated that while he was not familiar with this study the Psychological Warfare people had from time to time suggested that there be a "package" in the NIS which would contain information on international communism, foreign trade, east-west trade, and other subjects useful to them. He felt that on examination, seventy-five to eighty per cent of the information they needed was in

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the NIS already but not wrapped up in one package. He also felt that it would defeat the purpose of the NIS to start developing special sections to meet the particular needs of one agency or activity. Rather, he believed that the real purpose was to provide basic over-all information from which all agencies and activities could draw to meet their specialized needs. [REDACTED] said that while he had 25X1A heard that this study was taking place it had not been discussed with him he is responsible for the NIS Program.)

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6. In our discussions with the Bureau of the Budget concerning budgeting generally, I believe it is usually their philosophy that work should be assigned to the various agencies and that each agency should budget so as to finance all work for which it is responsible. This, as you know, is contrary to the present method of financing the NIS Program and, in accordance with our conversation of 5 July, I believe that it is entirely proper to undertake a study of this situation. This would not, however, influence Fiscal Year 1955 inasmuch as these funds are included in our appropriation for that period.

/s/

L. K. White

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